Evasion of Tax by MNCs

*225. SHRI RAM DAS AGARWAL: will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that MNCs have evaded tax to the tune of Rs. 400 crores as reported in JANSATTA dated 26th November, 1999;

(b) if so, what are the details thereof indicating the name of each company with the amount of tax evasion;

(c) the details of officials responsible therefor and what action CBDT (Central Board of Direct Taxes) has so far taken against each officer; and

(d) in what manner Government propose to recover the outstanding amount from defaulting MNCs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) During the financial year 1998-99, it was noticed that some multinational companies did not deduct tax at source in respect of part of the salaries paid to their employees abroad for services rendered in India.

(b) The entire amount of tax, including statutory interest thereon, amounting to approximately Rs. 640 crores, has been recovered from 103 companies. The details are given in the Statement (*See* below).

(c) The default was, infact, detected through surveys done by the department, and thus the question of holding any official responsible does not arise.

(d) In view of (b) above, this does not arise.

Statement

(Rupees in crores)

Sl. No.	Name of the Company	Amount
(1)	(2)	(3)
1.	All Nippon Airways Co. Ltd.,	1.78
2.	M/s Anritsu Corporation	2.00
3.	M/s I.H.I.	0.16
4.	M/s Denso India	8.92
5.	M/s Fuji Bank Ltd.	6.49
6.	M/s EPDC	1.72
7.	M/s Japan Broadcasting Corp.	2.97
8.	M/s Ericsson Communications Pvt. Ltd.	1.78
9.	M/s Alcatel Modi Networks Systems	0.91
10.	M/s Alcatel South Asia Pacific Ltd.	1.23
11.	M/s Cegelec India Ltd.	0.05
12.	M/s Cegelec India Ltd. (Noida Office)	0.03
13.	M/s Hyndai Engg. & Constn. Co.	0.70
14.	M/s Daewoo Motors India Ltd.	2.57
15.	M/s Banque Pariba	4.50
16.	M/s Aeroflot	0.90
17.	M/s Japan Radio Co. Ltd.	1.67
18.	M/s Asahi Glass Co. Ltd.	32.54
19.	M/s Casio Bharti Mobile Communication Ltd.	0.77
20.	M/s Fujitsu Limited	6.65
21.	M/s Itochu Corporation	51.69
22.	M/s Chori Co. Ltd.	0.36
23.	M/s Escorts Yamaha Mortors Ltd.	0.35

(Rupees in crores)

(1)	(2)	(3)
24.	M/s Fuji Photo Film (Singapore)	0.22
25.	M/s Hitachi Cables Ltd.	0.07
26.	M/s Exedy Ceekay Ltd.	0.30
27.	M/s Honda Motors Co.	33.00
28.	M/s Kenwood	0.97
29.	M/s Juky Singapore	0.49
30.	M/s Hitachi India Trading Pvt. Ltd.	8.07
31.	The Bank of Tokyo	49.33
32.	The Sakura Bank Ltd.	23.97
33.	Japan Airlines	1.83
34.	M/s Sanwa Bank Ltd.,New Delhi	12.50
35.	M/s National Panasonic	12.50
36.	M/s Nissho Iwai Corpn.	14.91
37.	M/s Mitsubishi Corpn.	53.24
38.	LG Electronics	1.30
39.	M/s Samsung Electronics	0.30
40.	The Commercial Bank of Korea Ltd.	0.25
41.	The Bank of Nova Scotia	0.05
42.	M/s Nokia Pvt. Ltd.	0.08
43.	M/s Lufthansa Airlines	1.28
44.	M/s Tokyo Motors Corpn.	1.58
45.	M/s Sony India Pvt. Ltd.	14.91
46.	M/s Sony Gulf	1.84
47.	M/s Sony Corpn. Ltd.	0.31
48.	M/s SWS India Holding Ltd.	}
49.	M/s Sumi Motherson Innovative Engg. Ltd.	} 4.61

(Rupees in crores)

(1)	(2)	(3)
50.	M/s Sumi Motherson Integrated Technologies Ltd.	4.61
51.	M/s Motherson Sumi Systems Ltd.	
52.	M/s NEC Corpn.	7.65
53.	M/s Marubeni Corpn.,New Delhi	42.66
54.	M/s YKK India Pvt. Ltd.	2.79
55.	M/s Mitsui Construction Co. Ltd.	0.38
56.	M/s Mitsui Kensetsu India Pvt. Ltd.	
57.	M/s TS Tech. Co. Ltd.	0.55
58.	M/s Sumitomo Corpn.	67.00
59.	M/s Sandan Vikas India Ltd.	3.17
60.	M/s Toshiba Corpn.	3.02
61.	M/s Marubeni Corpn. Project Office	5.40
62.	M/s Marubeni India Pvt. Ltd.	8.09
63.	M/s Mitsui Marine and Fire Insurance Co. Ltd.	0.07
64.	M/s Terumo Corpn.	0.22
65.	M/s Mitsubishi Electronic Corpn. India Liaison Office	0.61
66.	M/s Showa Corpn. (Munjai)	4.95
67.	M/s Morirqko Co. Ltd.	0.03
68.	M/s Mitsui & Co.	16.00
69.	M/s KEIHN Corpn.	0.20
70.	M/s Subros Ltd.	4.13
71.	M/s Sumitomo Electric Industries Ltd.	0.19
72.	M/s Riso Kagako Corpn.	0.07
73.	M/s Kanwood Corpn.	0.96

(Rupees in crores)

(1)	(2)	(3)
74.	M/s Lumax Industries Ltd.	0.04
75.	M/s Yasuda Fire & Marine Insurance Co. Ltd.	0.08
76.	M/s Matsushita Television & Audio India Ltd.	2.40
77.	M/s Satake Corpn.	0.30
78.	M/s Matsushita Electric Works Ltd. (National Panasonic)	0.13
79.	M/s Nissho Iwai Corpn. (Bombay Office)	20.00
80.	M/s Toyota Tsusho Corpn.	3.02
81.	M/s Pioneer Electric Corpn.	0.23
82.	M/s Sumitomo Electric Industries Ltd.	0.09
83.	M/s ICI India Ltd.	6.10
84.	Nomura Trading Co. Ltd.	9.03
85.	Mitsubishi Heavy Industries Ltd.	0.25
86.	Kinsho Matai-Chi Corporation	1.72
87.	Sumikin Bussan Corporation	2.74
88.	The Asahi Bank Ltd.	0.97
89.	The Sumitomo Marine & Fire Insurance Corpn.	0.23
90.	The Sumitomo Bank Ltd.	3.23
91.	Nichimen Corpn.	20.90
92.	Tomen Corpn.	5.66
93.	Hitachi G. Motor Eng. Ltd.	0.46
94.	Sakura Capital Market	2.28
95.	M/s Kawasho Corpn.	7.78
96.	M/s Nagase & Co. Ltd.	2.99
97.	M/s Murate Machinery Ltd.	1.00

(Rupees in crores)

(1)	(2)	(3)
98.	BPL Sanyo Ltd.	2.52
99.	BPL Sanyo Finance	0.28
100.	Yokagawa Bluestar	1.68
101.	Indo Nissin Foods Ltd.	6.89
102.	Juki Singapore Ltd.	0.58
103.	Hitachi Koki	0.37
		640.74

Disinvestment in Oil Companies

*226. SHRI VAYALAR RAVI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to disinvest the profitable public sector companies including the Oil Companies;

(b) if so, the details thereof; and

(c) what are the reasons for promoting disinvestment in the Oil Companies?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) There is no specific policy that disinvestment shall be of only profitable PSUs. The Disinvestment Policy as announced in the Budget of 1998-99 stated that:—

"Government have decided that in the generality of cases, the Government shareholding in public sector enterprises will be brought down to 26 per cent."

In pursuance of the above policy, Government have decided to disinvest varying percentages of equity in five Oil Sector PSEs, *viz.*, GAIL, IOC, EIL, Lubrizol India and Indian Additives Ltd.